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Testimony

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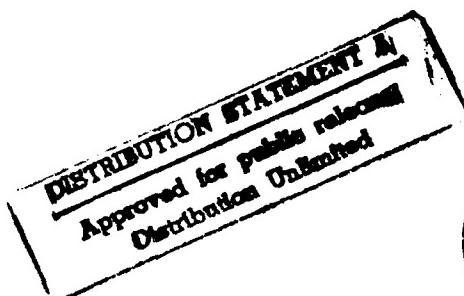


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The District's Implementation of Public Law  
98-621, the Saint Elizabeths Hospital  
and District of Columbia Mental Health  
Services Act

Statement of  
J. William Gadsby  
Director, Federal Management Issues  
General Government Division

Before the  
Subcommittee on Fiscal Affairs  
and Health  
Committee on the District of Columbia  
House of Representatives



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Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss the transition of Saint Elizabeths Hospital from federal to District government control. My testimony will focus on the questions the Committee Chairman asked us to address in his request letter.

Federal and District Funding

Approximate Proposed Levels

You asked that we determine whether the federal and District governments had met their funding obligations under Public Law 98-621. In fiscal years 1988 and 1989, the federal government provided \$57.4 million and \$43.4 million, respectively, in direct appropriations and grants to fund the transition. This represents 96 and 99 percent, respectively, of the funds authorized for these fiscal years. Small amounts of funds were not provided because of constraints imposed by the Gramm-Rudman process.

Also, in the same fiscal years, the District's approved budgets contained \$152.1 million and \$154.3 million, respectively, for the Commission on Mental Health Services, which runs Saint Elizabeths. This represented 95 and 98 percent, respectively, of the amounts in the Mayor's budget.

Capital Projects Funding

Estimates Are Incomplete

You also asked us whether the Commission's estimate of \$25.5 million for additional federal funds for capital projects is complete. As you know, the Commission plans to use about \$15.5 million of the total to renovate buildings on the Saint Elizabeths campus and about \$10 million to acquire community facilities for a community-based system.

The portion of the estimate for building renovations appears incomplete because it does not include an estimated \$16 million for removing asbestos and PCB transformers. This was not included in the \$25.5 million because necessary cost data were not available when the Commission prepared its estimate.

Regarding the \$10 million portion of the estimate for community facilities, the Commission had not developed detailed cost justifications to support it, so we were not able to evaluate it.

Federal Government Is Not Maintaining

the Clinical Training Program

With respect to the operation of the clinical training program at Saint Elizabeths, we found that it continues essentially because

the Commission has chosen to fund it. Given the wording of the law, the Department of Health and Human Services has concluded that it has no legal obligation to continue federal support. We agree with this legal analysis. Of course, your proposed amendment to Section 9 (a) of the act would provide federal funding for the clinical training program as originally envisioned.

Status of Staff Shortages and  
Licensing Issues

We also looked into the status of staff shortages and certain licensing issues. The Commission has operated Saint Elizabeths with staff shortages since October 1987. In August 1989, however, the Health Care Financing Administration advised the Commission that if it could not resolve the staff shortage relating to providing institutional psychiatric services, it would lose its Medicare certification. The Commission has dealt with this by hiring or transferring staff and taking other steps, including hiring additional support staff to free nurses from nonmedical duties. Commission officials see the movement to a community-based mental health system as the best long-term solution to the shortage problem.

With respect to licensing, Public Law 98-621 mandated that people being transferred from federal to District employment meet all

District license requirements within 18 months of the transition date which would have been March 31, 1989. As of April 7, 1989, 47 clinical employees had not yet obtained District licenses, and the District initiated action to deal with this situation.

In July 1989, the Mayor signed District Act 8-69, which enabled unlicensed clinical staff to obtain District licenses that are valid for the sole purpose of working at the Commission. As of March 16, 1990, there were 11 clinical employees who had licenses in other jurisdictions but who were still unlicensed in the District. All of these employees have applied for a license, and licenses are expected to be issued by April 1990.

Saint Elizabeths' Firemen to Remain Part of the Commission

The question of whether the firefighters at Saint Elizabeths would be members of the District's fire department or Commission employees was resolved in August 1989. An agreement between the Commission and the District fire department provided that the firefighters would remain Commission employees, but they would be trained by the District's fire department. The firefighters will have job descriptions and a retirement plan comparable to what they had when they were federal employees, and they will have essentially the same pay structure.

**Some Supplies Were Transferred to Other District Agencies**

With respect to supplies transferred from the Commission to other District agencies, some, such as 200 beds for Lorton Prison and supplies to repair District facilities, were originally transferred by a Commission official. However, in March 1988, procedures were changed so that no transfers could be made without the approval of the Commissioner. The Commissioner now approves transfers, and the Commission is reimbursed by the receiving agency. Under this procedure, the Commission provided, and was reimbursed for \$88,700 in supplies in fiscal year 1989.

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The Commission still faces problems in funding both capital projects and the clinical training program and in resolving staff shortages. The proposed legislation would provide the Commission more flexibility, funds, and time to solve these problems and establish a community-based system.

This concludes my prepared testimony, Mr. Chairman. I will be pleased to answer any questions that you or Members of the Subcommittee may have.

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